

Message Text

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17

ACTION TRSE-00

INFO OCT-01 EUR-12 EA-07 ISO-00 NEA-10 IO-10 H-02 L-03

PA-01 PRS-01 SP-02 AID-05 EB-07 NSC-05 CIEP-01 SS-15

STR-04 OMB-01 CEA-01 CIAE-00 COME-00 FRB-03 INR-07

NSAE-00 USIA-06 XMB-02 OPIC-03 LAB-04 SIL-01 /114 W

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R 100220Z OCT 75

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 8363

INFO AMCONSUL HONG KONG

AMEMBASSY LONDON

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USADB

FOR NAC AGENCIES

E.O. 11652: ADS DECLASS 12/31/76

TAGS: EAID, EFIN, HK

SUBJECT: PROPOSED ADB LOAN FOR SHA TIN SEWERAGE TREATMENT PROJECT
(HONG KONG)

REF: (A) MANILA 12959 (B) TREASURY 75-156 (C) HONG KONG 11252

1. ADB BOARD OF DIRECTORS, IN MEETING 9 OCTOBER, APPROVED
US\$20 MILLION EQUIVALENT LOAN FROM ORDINARY CAPITAL
RESOURCES TO HONG KONG GOVERNMENT TO HELP FINANCE FOREX
COST STAGE 1 OF PERMANENT SEWERAGE TREATMENT WORKS TO
SERVICE NEW TOWN OF SHA NIN IN HONG KONG NEW TERRITORIES.
PRESS RELEASE BEING POUCHED.

2. ALL DIRECTORS WHO SPOKE SUPPORTED LOAN. HOWEVER,
SRI LANKA ALTERNATE DIRECTOR AND INDONESIAN DIRECTOR
STRESSED THAT FURTHER BANK LENDING TO HIGH INCOME MEMBER
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COUNTRIES SHOULD BE DISCOURAGED SINCE BANK RESOURCE

POSITION INADEQUATE TO MEET LOAN DEMANDS FROM POOR COUNTRIES. ADB PRESIDENT SAID THAT LOANS TO HIGH INCOME COUNTRIES, CURRENTLY HONG KONG AND SINGAPORE, WOULD BE RELATIVELY SMALL AND FEW IN NUMBER AND FOR FIRST TIME, WILL BE CHARGED A HIGHER INTEREST RATE. HE SAID THAT LOANS ARE NECESSARY TO MAINTAIN SUPPORT FOR BANK AND THESE COUNTRIES ARE ALSO STILL DEVELOPING. IN SUPPORTING BANK LOAN, U.S. ALTERNATE DIRECTOR AND OTHER DIRECTORS CONCURRED IN PRESIDENT'S POSITION AND NOTED THAT HIGHER INTEREST RATE OF 9.5 PER CENT SUBSTANTIALLY REDUCED SUBSIDY ELEMENT. THEY ALSO SUPPORTED IN VARYING DEGREES FOCUS OF SEWERAGE PROJECT ON SOCIAL NEEDS OF POOR.

3. AT END OF DISCUSSION, ADB PRESIDENT STATED THAT THIS HIGHER INTEREST RATE LOAN HAD ATTRACTED RENEWED COMMERCIAL BANK INTEREST IN PURCHASING PARTICIPANTS. SO FAR THREE BANKS INDICATED INTEREST IN ABOUT \$800,000.
SULLIVAN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
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Current Classification: UNCLASSIFIED
Concepts: SEWAGE SYSTEM, CONSTRUCTION, BANK LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 10 OCT 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: KelleyW0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750352-0435
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Handling Restrictions: n/a
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Reference: 75 MANILA 12959, 75 HONG KONG 11252
Review Action: RELEASED, APPROVED
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Review Comment: n/a
Review Content Flags:
Review Date: 24 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <24 JUN 2003 by ShawDG>; APPROVED <13 NOV 2003 by KelleyW0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

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